

Senate Study Bill 1067

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
VETERANS AFFAIRS BILL
BY CHAIRPERSON BEALL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the military service property tax exemption
2 and credit and including an applicability date provision.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 1271SC 83
5 md/mg:sc/5

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1 1 Section 1. Section 25B.7, subsection 2, paragraph c, Code
1 2 2009, is amended to read as follows:
1 3 c. Military service property tax credit and exemption
1 4 pursuant to chapter 426A, to the extent of six dollars and
~~1 5 ninety-two cents per thousand dollars of assessed value of the~~
~~1 6 exempt property.~~

1 7 Sec. 2. Section 426A.2, Code 2009, is amended to read as
1 8 follows:

1 9 426A.2 MILITARY SERVICE TAX CREDIT.

1 10 The moneys shall be apportioned each year so as to replace
1 11 all or a portion of the tax which would be due on property
1 12 eligible for military service tax exemption in the state, if
1 13 the property were subject to taxation, ~~the amount of the~~
~~1 14 credit to be not more than six dollars and ninety-two cents~~
~~1 15 per thousand dollars of assessed value of property which would~~
~~1 16 be subject to the tax, except for the military service tax~~
~~1 17 exemption.~~

1 18 Sec. 3. Section 426A.11, subsections 1 and 2, Code 2009,
1 19 are amended to read as follows:

1 20 1. The property, not to exceed ~~two thousand seven hundred~~
~~1 21 seventy-eight sixteen thousand three hundred~~ dollars in
1 22 taxable value of any veteran, as defined in section 35.1, of
1 23 the First World War.

1 24 2. The property, not to exceed ~~one thousand eight hundred~~
~~1 25 fifty-two sixteen thousand three hundred~~ dollars in taxable
1 26 value of an honorably separated, retired, furloughed to a
1 27 reserve, placed on inactive status, or discharged veteran, as
1 28 defined in section 35.1.

1 29 Sec. 4. APPLICABILITY DATE. This Act applies to property
1 30 taxes due and payable in fiscal years beginning on or after
1 31 July 1, 2010.

1 32 EXPLANATION

1 33 Under current law, veterans of the First World War are
1 34 entitled to a property tax exemption of \$2,778 and honorably
1 35 discharged veterans that serve during other specific time
2 1 periods are entitled to a property tax exemption of \$1,852.
2 2 This bill increases the exemption amount for all eligible
2 3 veterans to \$16,300.

2 4 Under current law, the state provides funding to local
2 5 governments for the military service property tax exemption
2 6 and credit up to \$6.92 per \$1,000 of assessed value of the
2 7 exempt property. The bill strikes this state funding
2 8 limitation and makes the property tax exemption and credit
2 9 funding requirements of Code section 25B.7 applicable to the
2 10 increased military service exemption and credit amounts. Code
2 11 section 25B.7 provides that if a state appropriation made to
2 12 fund the credit or exemption is not sufficient to fully fund
2 13 the credit or exemption, the political subdivision shall be
2 14 required to extend to the taxpayer only that portion of the
2 15 credit or exemption estimated by the department of revenue to
2 16 be funded by the state appropriation.

2 17 The bill applies to property taxes due and payable in
2 18 fiscal years beginning on or after July 1, 2010.

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